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Report of Activities

of the

Montana Department of Planning and Economic Development

FOR THE
FISCAL YEAR ENDING
June 30, 1970

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Highlights of 1969-70

Fiscal year 1969-70 was the first year of operation of the department under the new and restructured form and the enlarged budget approved by the 1969 Legislative Assembly. It has been a year in which both the level of activity and accomplishments have exceeded expectations. The main tasks of organizing, staffing and placing the department on an operational basis, in all areas of responsibility covered by legislation and assigned by Governor Forrest H. Anderson are essentially complete, resulting in a firm foundation for carrying out a wider range and heavier load of projected activities.

Three highlights are common to all programs of the department: Staffed the programs with professional personnel, implemented the work program as assigned by the Legislative Assembly and the Governor, and reintroduced high standards and efficiency in grant administration.

In the area of community affairs, the Community Development Division:

- Completed 15 overdue comprehensive community planning assistance projects, commenced comprehensive planning projects in 6 more communities, and commenced similar assistance efforts on 2 Indian reservations;
- Successfully completed state's first single grant application to HUD for $351,000;
- Acquired a two-year federal grant to assist the Commission on Executive Reorganization to conduct a $378,000 study of Montana's executive branch;
- Established a state clearinghouse for federal grant applications for community development assistance;
- Commenced for submission to the 1971 Legislative Assembly a study of local planning legislation jointly with the Montana Legislative Council's Subcommittee on Local Government;
- Commenced a program to assist Model Cities' efforts in Butte and Helena and to help them coordinate their activities between each other and concerned state and federal agencies;
- Commenced a study of housing in Montana to help implement the federal Operation Breakthrough for more low and moderate income housing;
- Established a special planning advisory service to all Montana Indian reservations;
- Assisted planning in such impacted areas as the Gallatin Canyon, Lincoln, Conrad and Shelby; and
- Rendered technical planning assistance to 57 communities.

In regard to activities geared to improving and diversifying the state's economic base, the Industrial Development Division:

- Helped establish 25 new firms in 16 communities for an estimated capital investment of $50 million and employment for 1,100 persons;
- Assisted 30 some existing firms to grow stronger;
- Rendered technical development assistance to 42 Montana communities;
- Helped form the Montana Development Credit Corporation;
- Helped test the revenue bond law before the Montana Supreme Court;
- Helped coordinate development efforts in Montana;
- Participated in planning and promotional efforts for the Big Sky of Montana recreational development near the Gallatin Canyon; and
- Joined with other concerned agencies and the citizens of 18 eastern Montana counties to help create a regional planning and development vehicle to help that large, but sparsely populated area attack and solve its problems.

In support of the above activities and in an effort to provide a better base for planning and development activities, the Research Division:

- Helped the Bureau of Business and Economic Research complete the statewide economic study that provides an important base for planning Montana's growth and developing its resources;
- Commenced inventory and analyses of elements of Montana's natural resources potential;
- Commenced a state data book, assembling pertinent statistics on Montana in an easy-to-use format in cooperation with Information Systems;
- Developed a plan for the Governor's consideration to make multi-county districting uniform among the several state agencies that have apportioned the state as a basis for delivering their services to its citizens; and
- Studied probable impact of recreation development on the Smith River as a part of a Council on Natural Resources and Development study.

In support of the other divisions and to assist in supplying informational needs of other agencies and private organizations, the Information Systems Division:

- Established an operational library information system consisting of over 4,000 documents and responded to approximately 700 requests from internal and external inquiries—the nucleus of the Department's responsibility for a central repository for all information relating to planning and development in Montana;
- Designed and established an operational Bureau of Census information center to handle the Montana results of the 1970 census;
- Developed and published the *Directory of Manufacturers and Buyers' Guide* and in cooperation with Employment Security Commission established a system for less costly regular updating;
- Developed plans for implementing a regional economic information system for measuring and evaluating changes in the economic base and migration patterns within Montana and its subdivisions; and
- Coordinated information and related services for the Big Sky development.

Recommendations

These recommendations will further the progress already achieved in the design and implementation of an effective and substantive state planning and development effort, which reflects the needs, resources and capabilities of the State of Montana.

1. *The department's capabilities to provide assistance and a high level of responsiveness to an increasingly complex and growing spectrum of community and local governmental problems should be strengthened.*

As evidence throughout this report, the first year of operation of the department under its revitalized organization has resulted in a strong basic structure from which to carry out its assigned functions. Nevertheless, the department has been confronted with demands for service and assistance in excess of resources available or which can be developed during the current biennium. To reduce these deficiencies, the Commission has prepared and submitted to the State Budget Division recommendations with respect to areas deserving priority emphasis and the funding level required in the 1973 Biennium.

2. *Enabling legislation to permit local units of government to develop and implement plans more effectively should be passed by the 1971 Legislative Assembly.*

Proposed legislation to accomplish this purpose is under preparation jointly with the Subcommittee on Local Government of the Legislative Council and a 10-member Citizen Advisory Committee. Passage of this legislation is considered critical to assist local units of government to meet growth and to adjust to change in fringe areas of the larger urban areas, in highly attractive recreational-residential areas, and in rural areas receiving the impact from economic and social change.

3. *A system of uniform multi-county districts for agencies of state government should be established.*

Presently, major state departments operate under some 25 different districting plans. Economies of scale and effective coordination between state programs and between federal and state programs are difficult, inefficient and costly. A plan to minimize these deficiencies is in the final stages of preparation and will shortly be completed for review.

4. *Designation of the department as "Official State Housing Agency" so it may more fully execute responsibility of identifying and mobilizing forces to alleviate housing needs in both urban and rural Montana.*

Since designation by Governor Anderson as State Operation Breakthrough Agency, this department has cooperated with the federal government in developing innovative approaches to housing needs in the state. At the same time, it has also launched an ongoing effort toward solving housing problems of low and moderate income Montanans.

Through Breakthrough and participation in community housing activity, the department has functioned as the State Housing Agency in an unofficial capacity, lending technical and supportive assistance to local efforts. While implementing these services, department personnel have become acutely aware of fragmentation and possible dissipation of federal, state and local housing resources. As the need to coordinate all such resources—both public and private—becomes more evident to complement comprehensive state and community housing development, the department recommends this official designation as a vehicle to move into a more positive and responsive role in housing on all governmental levels in Montana.

5. *A body of reliable scientific and technical information, tailored to the needs and unique characteristics of Montana's environment, should be provided to guide decision making in efforts to stimulate the state's economic growth.*

Such a body of information can assist well-intentioned efforts to preserve and improve the physical environment. These efforts often become highly emotional and unnecessarily controversial in the absence of sound medical and physical data upon which to base reasonable guidelines for the location of municipal, industrial and agricultural operations, and the control of demonstrably harmful effluents. State agencies competent to provide useful data should, therefore, be encouraged to provide technical assistance and contribute to the store of information that can be used by communities and regions to plan soundly for economic growth.

6. *The 1971 Legislative Assembly should review and clarify the intent of existing legislation designed to encourage and provide incentives for economic development.*

Experience with such existing legislation in Montana has shown problem areas. For instance, the interpretation on use of Section 84-301, RCM 1947 as amended, (new industry classification) has been limited to extractive type industries. More stimulus might be given to investment in Montana, if the law is amended to be less restrictive and allow application to new industrial activities in labor-intensive, higher-product-value type firms.

Similarly, Montana has a higher tax on merchandise in transit (freeport) than neighboring states. This noncompetitive feature, on the basis of present experience, puts Montana at a disadvantage for capital investment in warehousing, distribution and processing-in-transit industries.

Section 69-3923 RCM, 1947 as amended (tax reduction on pollution control equipment), deserves priority emphasis to establish guidelines for interpretation and administration of the law, plus careful study to broaden and redefine the scope to include other forms of waste control equipment. Broadening along this line would serve to enhance and otherwise complement efforts to achieve a quality environment.

7. *State financial and technical support is urged for the establishment and operation of a regional planning and development program in eighteen counties and two Indian reservations in eastern Montana.*

Such an effort is now in the organizational stages among individuals and organizations in the aforementioned area and a request for state support and leadership is expected prior to the convening of the 1971 Legislative Assembly. As presently envisioned, the program would involve government, business, agriculture, and other area leaders in a concentrated effort to attack problems and achieve potentials of regional interest and mutual concern. Implicit in the concept is the objective of providing a more efficient management and coordinating system for ongoing and future state and federal aid programs. It is, there, fore, regarded as an innovative movement which may serve to demonstrate the effectiveness of joint and coordinated efforts in other regions and on a state basis as well. Given support and encouragement by the state, equal or greater support may be expected from the federal government in line with current objectives to stimulate and revitalize rural America.

8. *Consideration should be given to establishing a special Statewide Citizens' Advisory Committee of 25 to 35 members to establish long-term goals and objectives and to recommend strategies for achieving them.*

Establishment of widely supported goals and objectives is a desirable and virtually essential first step in a state-level planning and development program. Therefore, a Citiens' Advisory Committee drawn from all regions of the state to include leaders in agriculture, industry, labor, conservation, recreation, finance, local government and civic organiations could add a beneficial public dimension at the beginning stage to the state planning and development process.

As indicated in the various program analysis sections of this report, a substantial and timely information base to assist such an effort is being laid in the form of studies and reports describing the state, its problems and its potentials. Other state planning activities, of a related and complementary nature that would add to the timeliness element, include, at the state level, Reorganization of the Executive Branch and possibly a Constitutional Convention. At the federal level, related activities of special importance include the Report of the Public Land Law Review Commission, the National Environmental Policy Act and the current, and probably continuing discussions centered around population and a national land-use policy.

The proposed Advisory Committee should report directly to the Governor with staff service provided largely by this department. Planning and Economic Development Commissioners would be ex officio members of the Advisory Committee. Other state agencies should be called upon for professional and technical assistance as the Committee requires. It is estimated that the work of the Committee could be effectively accomplished in a 15- to 18-month period beginning in April or May of 1971.

Principal Goals

The Department of Planning and Economic Development serves as the agency of state government with prime responsibility for developing the full po -tential of the state's human and natural resources (82-3701 through 3710 *Revised Codes of Montana*, 1947). In endeavoring to achieve these goals it is charged with functional responsibilities for the development and conduct of (a) State Planning, (b) Community Development, (c) Recreation Development (related to private investment), and (d) Economic Development. In carrying out these responsibilities it is also charged, among others, with assembling, correlating and serving as the clearinghouse for information; conducting studies and research; providing professional and technical assistance; obtaining and administering federal grants; and coordinating and assisting state agencies, local governments and other private agencies or bodies involved in state, regional or local planning and development activities.

Organizationally, the Department of Planning and Economic Development conducts the above described activities through five divisions or program areas: (1) Community Development, (2) Industrial Development, (3) Research, (4) Information Systems and (5) Administration.

The department with a broad range of professional staff seeks to promote, stimulate and encourage the planning and development of Montana economically, socially, and physically to the optimum benefit of its citiens. Eight major activities help reach this objective:

(1) planning for environmentally attractive and functionally efficient economic communities,

(2) attracting additional economic activities, expanding and strengthening existing industry and agriculture,

(3) providing a common information base for decision-making of government, businesses, and other private groups and individuals engaged in establishing planning goals and development objectives,

(4) conserving and developing natural resources,

(5) conducting scientific research on planning and development problems, anticipating future needs, an analyzing and evaluating alternative courses of action to solve or avoid problems and to achieve potentials,

(6) developing new markets and creating new uses for the products of the state,

(7) fostering a balanced and diversified economic base, and

(8) providing assistance in inter-agency coordination in planning and development matters among federal, state and local levels of government.

These are all essential to provide growth and stability in revenue sources for state and local governments, to create additional employment and income opportunities, to reduce outmigration, to increase personal income, to reduce economic, social and cultural disparities between communities and areas of the state, to enhance the qualities of living, and to otherwise promote the general welfare of the people of this state.

Introduction

Fiscal 1969-70 was also the first year of operation of the Department of Planning and Economic Development under the newly structured concept and enlarged budget approved by the 1969 Legislative Assembly. To perform the activities required to carry out the responsibilities assigned to the department, three related and simultaneous administrative actions had to be taken:

First, it was necessary to recruit and develop a professionally competent staff.

Second, the concepts of the work program for state planning and development had to be designed and implemented. The latter included incorporation into the work program, of responsibilities subsequently designated by the Governor or by virtue of requirements and guidelines prescribed in federal programs administered by the department.

Third, as a part of the overall administration of the department, special measures had to be taken to improve administration of federal grant programs, which in several instances were in a state of disarray and confusion.

1. A Full Complement of Professional Staff

The first step has been completed. Because of timely initiative taken by the Governor and the Commission experienced administrators in the field of planning and development were appointed on July 1, 1969, to the positions of Executive Director and Deputy Director. In the immediately following months, qualified personnel were appointed as Division Directors and in other key professional positions. By the end of the 1970 Fiscal Year, the department, with 20 professional and 7 administrative and clerical personnel, had become fully staffed within the limits of the existing and foreseeable resources available from state and federal funds.

2. Work Programs Implemented

As a direct result of the timely staffing, the second step of designing and implementing the work program is also essentially complete. All major areas of program emphasis are operational within the limits of available funds and are functioning in a manner consistent with departmental goals and objectives. They embrace functions and activities in state planning, community planning and development, industrial and economic development, economic research and information services. These various programs are described in later sections of the report.

3. Improved Administration of Housing and Urban Development Grants for Planning

Because of the leaderless and understaffed condition of the department for a large part of the 1968-69 biennium, it had become apparent by July 1, 1969, that federal grant programs of the Department of Housing and Urban Development for which this department is the state's administrative grant agency, were being poorly administered. A variety of conditions existed including: incomplete and overdue comprehensive planning assistance projects, long delays in payments to consultants, incomplete documentation and late submission of requisitions to HUD on grant payments, ineffective monitoring and reporting of progress, lack of coordination between the department, its contractors and the HUD regional office, lack of liaison and coordination with communities, consultants, community development organizations and to some extent by other state agencies interested in filling the vacuum and otherwise overcoming deficiencies.

The depth of HUD regional office's dissatisfaction with the department's professional performance and administration was apparent in correspondence and in personal contacts. One tangible evidence which illustrates the then existing condition was a letter from HUD regional office regarding deficiencies on one project that stated in part ". . . if by July 1, 1969, the completion report and all required exhibits have not been received in our office we will be unable to process *any* requisitions for grant payments submitted by your agency."

Because of the urgency and dependency on federal funds, aggressive and priority attention was given to corrective measures: Personal contacts were made with HUD, consultants were directed to meet contractural conditions with respect to quality and timeliness of performance and reporting. Communities were instructed and assisted in meeting their responsibilities. Some projects were extended, and some were revised and contracts renegotiated including reduced payments. In some cases the department redirected funds to correct deficiencies.

The net effect of the firm but fair action taken was that unproductive controversy was reduced and possible law suits avoided. Several hundred thousand dollars of federal aid was salvaged; including funds allocated but not expended under previous projects, plus newly allocated funds applied for and already being expended in support of current and future activities. This accomplishment became a partial reality on September 30, 1969, when all overdue and deficient projects were brought current as a result of actions taken, as described above; the posture became firmly established on April 1, 1970, when the department in behalf of the State of Montana received a new grant of $351,000. This is the largest annual allocation of

planning assistance funds ever received by the state, and it was achieved for the first time under a single grant application. Thus, the department expects to administer an estimated $2,100,100 in the 1971 Biennium, including $600,000 from the General Fund, approximately $785,000 salvaged or carried over from federally funded overdue or active programs, and approximately $715,000 in new federal assistance. This results in a ratio of 1:2.5 of state to federal funds and exceeds the ratio projected at the start of the biennium, despite a cut in the requested General Fund appropriation.

Assuming a similar ratio and with growing capabilities and enlarged support from the General Fund, substantially larger federal grants are projected for the 1973 Biennium. These actions underlie other accomplishments of the year as noted in other sections of this report. They also provide a firm foundation on which to carry out projected activities.

The main tasks of organizing, staffing and placing the department on an operational basis have been achieved to a far greater degree in this first year than was initially expected. Nevertheless, the total effort is still in a building stage and many problems are yet to be overcome and solved.

For example, the increased number, amount, variety and complexity of federal grants together with the state's newly installed Planning-Programming-Budgeting System accentuates the need to install and maintain more sophisticated systems of accounting, budgeting and fiscal controls.

Other problems of an administrative nature center around building and maintaining responsiveness to an unusually high level of requests for professional service and financial aid in the department's major areas of program activity. These capabilities are stretched to a maximum and are in many cases exceeded. The recommendations offer measures to overcome these deficiencies and plans are being laid to correct them in the next biennium.

Community Development Program

The department's Community Development staff provides technical guidance and assistance to a broad spectrum of interest and action groups ranging from local service clubs to staffs and elected officials of governmental bodies. Although the main effort is devoted ultmately to action by governmental agencies, organization and educational efforts among citizen groups is equally important. Principal target groups among governmental bodies are city councils and commissions, county commissions, Indian tribal councils, soil conservation districts, local and regional planning boards, urban renewal agencies, model cities agencies and staff personnel of such agencies. Citizen groups include such organizations as Chambers of Commerce, League of Women Voters, professional associations, rural areas development committees and local service clubs. The emphasis is on creating the most efficient and desirable environment and providing optimum benefits for the citizens of Montana.

The program's objectives are broad, and primarily aimed at providing the necessary resources to state and local governmental units so they, in turn, can respond to their planning and development problems. It supports and augments efforts in a number of technical areas by helping to:

1. Design, develop, administer and provide technical assistance to implement comprehensive planning programs in Montana's communities.
2. Assess the state's housing needs and develop solutions to meet those needs through such programs as Model Cities, Operation Breakthrough, Urban Renewal, and other applicable state and federal progsams.
3. Provide technical assistance in community and inter-governmental affairs in such areas as municipal management, organization, administration and capital budgeting.
4. Administer federal loans and grants to aid planning and community development.
5. Review, as a clearinghouse, all applications for community planning and development assistance from such programs as defined in the Federal Bureau of the Budget Circular A-95.
6. Analyze urban and rural community problems and develop recommendations for executive or legislative branch action.
7. Organize and coordinate federal, state, and local programs for assisting local government, including tne United States Department of Housing and Urban Development 701 Planning Assistance Grant Program for the state, local communities and Indian reservations.

First-year priority was given to the staffing and improvement of operations in the Community Development program. Three factors account for this. First, as described, a cloud existed with respect to administration of certain federal grant programs at the July 1, 1970, expansion of the department's activities. Correction of this condition fell largely within the scope of Community Development. A second reason for the high priority designation relates to the high level of concern and interest throughout the state for community planning and development programs. The ability to respond to these numerous demands from both public and private bodies, therefore, became a matter of urgency as well as necessity. A third factor, closely related to the first two, centers around the influence and pressures of federal programs in terms of requirements and qualifications that must be met by the state to be eligible for financial assistance. The state's and municipalities' extensive dependency on federal assistance programs combined with the state's responsibility to effect policies and carry out programs to achieve national goals and objectives is further justification for priority attention.

As a result of the foregoing pressures and priorities, the staff turned its first attention to recruiting and training of staff and implementing the various activities either assigned or subsequently designated as responsibilities of the department. Community Development, in conjunction with Administration personnel, played a major role in improving the administration of Housing and Urban Development grants. The newly achieved posture and image of the Department which resulted has provided a firmer base for support of state planning, community planning and development and other programs of the department.

1. Improvement of Community Development Services

Since July 1969, 15 local comprehensive planning projects have been completed. At that time many of these projects were delinquent or unfunded and since have been brought up to date and completed. Since last July, six other communities, two Indian reservations, and two impact areas have undertaken comprehensive planning, for federal funding portion of $246,000 of total projects amounting to $354,000. Initial contact has been made with at least 40 communities, and in many cases, contacts have been followed up with additional meetings. The division has processed requests for information on comprehensive planning, urban renewal, various codes, subdivision regulations,

and federal grant programs. Thirty-six planning boards are now operating within the state and several more are in the process of formation.

2. HUD - Single Grant Application

In November 1969, this division began preparing the first single grant application for all planning needs in Montana; it listed planning programs for state and local agencies and Indian reservations. The single grant application was completed and sent to the Department of Housing and Urban Development in February 1970; it was accepted on April 1, 1970. The initial application, which required three months of preparation, applied for $351,000, all of which HUD granted.

3. Matching Funds Obtained for Executive Branch Reorganization Study

In addition to the single grant application just described, the department applied for and received a grant allocation of $130,000, to match $65,000, for the first year of operation of the Commission on Executive Reorganization. An allocation for support of the second year of $122,000, to match $61,000, is also underway. Its approval appears to be relatively assured in view of its high priority. The funds will assist the Commission in its efforts to modernize and streamline state government, to make it more responsive to the needs of Montana citizens and to eliminate unnecessary duplication of governmental efforts. A constitutional amendment, to be proposed on the ballot in November 1970, would assist in implementing the recommendations of the study. It would direct the Legislative Assembly to reduce the number of executive branch departments to 20 or fewer by 1973.

4. Clearinghouse

As a result of designation by the Governor in November 1969, the Community Development division undertook the function of providing clearinghouse activities for the state. From November 1, 1969, to June 30, 1970, over 200 grant applications of a planning, development and community assistance nature were processed.

The Clearinghouse has successfully dealt with three problem areas: (1) limited feasibility, (2) overlap and duplication and, (3) lack of cooperation and coordination. By suggesting alternative means of financing and methods of operation, the staff has increased the feasibility of several programs. By providing information to applicants on overlap and duplication and arranging joint meetings, staff have saved time and money for many participants. By arranging meetings between non-cooperating agencies where communications were poor or non-existent and pointing out unrecognized common goals, the staff has facilitated coordination and program implementation. In some cases, new and appropriate economies of scale have opened up entirely new possibilities. This activity is in an infant stage, but if supported by appropriate authority and given the present levels of cooperation by various participating agencies and community groups it should bring about more effective use of state and local monies with less overlap and duplication of effort. This project has federal assistance amounting to $4,000 of the $6,000 total.

5. Legislative Study

The department commenced a $26,000 project, including a $17,000 HUD grant, and joined with the Legislative Council's Subcommittee on Local Government and a ten-member citizen advisory committee to develop "permissive" planning legislation. The objective of this project is to provide units of local government with the authority necessary to develop and implement plans more effectively.

The project staff at the Department of Planning and Economic Development has examined present planning legislation, its history, and planning-related legislation, reviewed suggested state legislation, gathered ordinances and information from Montana's localities, and coordinated the work of the consultants and the Advisory Committee.

The Advisory Committee was formed to encompass major interests and areas in Montana. The committee has, since April, held monthly public meetings. During the course of those meetings problem areas were identified along with legislation needed. Public and private organizations and individuals have presented statements to the committee and contributed greatly to the committee's direction and progress.

The Legislative Study is proceeding on schedule for submission to the 1971 Legislative Assembly.

6. Model Cities

The department has been designated as the State Model City Coordinating Agency. The Model Cities staff commenced in the final month of the report year to create a cooperative program among the state's cities and agencies. A State Model Cities Coordinating Committee was formed for the purpose of supplying state technical and supportive services to Model Cities at their request. Twenty-one state agencies compose this committee. The Model Cities Coordinator with assistance from other staff has spent the greater portion of his time working with the Butte and Helena Model Cities programs, in the former case acting as liaison to secure grants and services, and in the latter, supplying technical assistance. This project has federal assistance amounting to $10,000 of the $15,000 total.

7. Operation Breakthrough

At the request of the Secretary of Housing and Urban Development, Governor Anderson designated the department as the State's Operation Breakthrough agency. The Department of Housing and Urban Development has been developing innovative approaches to housing needs. Additional low and moderate income housing would be supplied through a component housing system, and home construction costs would be reduced through an aggregated market concept. This department has monitored their progress and kept abreast of developments in the field to apply all available information to solve the housing problem in Montana. Considerable effort must be expended in the future in this area if meaningful services are to be provided and if Montana is to achieve and share fully in the benefits of this national effort.

8. State Housing Program

Closely related to its Operation Breakthrough responsibilities the Department of Planning and Economic Developemtn has instituted a first-year housing study for the purpose of identifying housing needs across the state. The study will be directed particularly to the areas of low and moderate income housing. Before surveys can commence, this department must establish statewide housing criteria because insufficient information is available from the 1970 census. Additional information will be collected through private, local, and state sources, as well as to the criteria used in gathering the data. This project has federal assistance amounting to $8,000 of the $17,000 total.

9. Indian Advisory Services

This program was initiated in the final month of the report year, and consequently, has accomplished little. The two Indian staff members who were employed to implement the program have, however, made contacts on several reservations. This effort is expected to be a major step toward providing necessary liaison between the Indian reservations and state agencies. This project has federal assistance amounting to $19,000 of the $28,500 total.

10. Advisory and Technical Services to Communities

Priority attention has also been given in the Community Development program to several planning problems of a specially urgent nature. These include advice and consultation on the design and implementation of a planning program in the Gallatin Canyon near the Big Sky reereation site; participation and financial assistance to the MSU Center for Planning and Development for Lincoln area residents in the development of alternative planning concepts that might be implemented incidental to mineral development in the area by the Anaconda Company; and special assistance in the inauguration of planning programs in the communities of Conrad and Shelby related to heavy impacts expected from the construction of Defense System Command faeilities in that area. These projects have federal assistance amounting to $140,000 of the $219,000 total.

Similar assistance has been provided to dozens of other communities:

Locality	Technical Planning Information and Assistance	Administered Federal Funds	Reviewed and Coordinated Planning Efforts
1. Anaconda	X	X	X
2. Baker	X		X
3. Belle Creek	X		X
4. Big Timber	X		X
5. Billings	X		X
6. Boulder	X		
7. Bozeman	X	X	X
8. Broadus	X	X	X
9. Browning	X	X	X
10. Bull Lake	X		
11. Butte	X	X	X
12. Columbia Falls	X		
13. Columbus	X		
14. Conrad	X	X	X
15. Cut Bank	X	X	X
16. Deer Lodge	X	X	X
17. Dillon	X		
18. Dixon			X
19. East Glacier	X		
20. Ennis	X		
21. Ft. Belknap	X	X	
22. Ft. Benton	X		
23. Ft. Peck	X		X
24. Gallatin Canyon	X		
25. Glasgow	X		
26. Glendive	X	X	X
27. Great Falls			X
28. Hamilton	X		
29. Hardin	X		
30. Harlem	X		
31. Havre	X	X	X
32. Helena	X	X	X
33. Hot Springs	X		
34. Hysham	X		
35. Kalispell	X	X	X
36. Laurel	X		
37. Lewistown	X	X	X
38. Libby	X	X	X
39. Lincoln	X		X
40. Livingston	X	X	X
41. Lolo	X		
42. Miles City	X	X	X
43. Missoula	X	X	X
44. Philipsburg	X		

Locality	Technical Planning Information and Assistance	Administered Federal Funds	Reviewed and Coordinated Planning Efforts
45. Plains	X		
46. Polson	X	X	X
47. Red Lodge	X		
48. Rocky Boy's	X	X	X
49. Roundup	X		
50. Shelby	X	X	X
51. Sidney	X		
52. Stevensville	X		
53. St. Regis	X		
54. Superior	X		
55. Terry	X		
56. Thompson Falls	X		
57. Virginia City	X		
58. Whitefish	X		
59. Wolf Point	X		

11. Statewide Sewer and Water Study

The Department and Farmers' Home Administration entered into a contract in December, 1968, to conduct a statewide sewer and water study which involved collecting data and preparing a sewer and water plan for every city, town, or unincorporated area with more than five dwelling units in any one cohesive unit up to 5,500 population. During the report year, the department reviewed preliminary reports for 17 counties and processed claims for payment to the consultant in the amount of $169,812. The study, due January, 1971, is approximately 80 percent completed.

The Community Development program is almost wholly new and much enlarged over any similar activity previously conducted. Workload is exceedingly heavy, but most pressing problems within functionally active areas are being met. Main deficiencies that are apparent arise from an unusually high demand from local governments for financial and technical assistance to meet increasingly complex problems of economic and social change. Although much of the urgency is of a financial nature, solutions are frequently associated with and often hindered by local governments' limited authority to make decisions and take action. A much higher level of effort and responsiveness is required to assist local units of government in meeting and overcoming their problems. This conclusion is based on the expanded areas of need which have come to light as a result of the program's first year of operation and the many contacts and meetings with people and agencies throughout the state.

Industrial Development Program

Industrial Development attempts to improve our citizens' lives through developing more full-time, year-round employment opportunities and more opportunities for private industrial and recreational investment. The program works to reverse the declining rate of population growth, out-migration, and a declining rate of increase in per capita income, and to improve financial support for necessary public services.

Because economic development is a concern of virtually everyone and every area of the state it might be said that any group or individual needing advice and assistance is part of Industrial Development's targets. But services are most commonly rendered to an organized group or body working on behalf of its area or business sector. These consist mainly of Chambers of Commerce, local development corporations, regional associations, rural area development committees, trade associations and to an increasing extent, governmental bodies.

The Industrial Development staff seeks feasible industry and assists existing industry to grow and prosper within Montana. It emphasizes reaching and interesting industrialists and other potential investors in economic opportunities in Montana. Development personnel identify and contact out-of-state concerns to become acquainted with their plans, and their requirements; to supply them with pertinent facts and applicable laws and regulations for conducting business in Montana. They also develop and disseminate promotional materials through direct mail and advertising, answer inquiries, supply information, follow-up by letters and visits and conduct tours to show prospects the advantages which Montana offers.

In order to assist existing industries in Montana to grow and prosper, development personnel must determine their problems through visits with managers of the firms, by analyzing reports of knowledgeable persons, and by visiting the industrial operations. The range of these activities include such services as market surveys, locating sources of supply, locating sources of financing and studying and analyzing production costs and operations.

The staff encourages formation of and provides assistance to local economic development efforts. It informs citizens of the value of economic activities to their communities and, in conjunction with other departmental personnel, assists communities in preparedness efforts such as establishing facilities and providing services required by business activities.

1. Establishment of New Industries

Despite a slowdown in the general economic conditions in the country, new plants have been successfully established in Montana with the emphasis and success occurring in the areas of the resource-related industries. Growth was noted in forest products and mining. While emphasis is still directed toward those firms fabricating and manufacturing finished products, the investment in these types of plants throughout the country slowed during the past year, resulting in minimal expansion in Montana. The reduced production is especially significant in the aerospace industry and such highly technical fields as electronics that supports this industry category.

The staff has identified those areas that have the greatest profit potential in Montana and has attempted to promote them. The upgrading of the agricultural industry through the feeding of livestock and processing of hay and grains, the more complete use of our forest resources and the orderly development of mineral deposits have received the most attention.

During the past year more than 100 firms have been contacted either through personal contact, by telephone or direct mail to explain to them the opportunities in Montana. Information pertaining to raw material availability, financial incentives, cost factors and sites have been brought to their attention. In cases of bona fide prospects specific information has been prepared in a professional manner to assist them in their decision-making process and they have been accompanied by department personnel when visiting the state.

These major new or expanded industries either are under construction or have announced plans for construction. Although the department in many instances assisted the new endeavors, the major efforts were made by many organizations and individuals in the respective communities working directly with the companies in the plant location process. The list, while not complete, is included in this report to show the kinds of products involved and the geographic distribution of Montana's newest economic endeavors. They are conservatively estimated to represent capital investment of $50 million and employment for 1,100 persons.

TOWN	FIRM
1. Baker	Wang Feeds
2. Billings	Deluxe Check Printers, Inc.
	Farmers Union GTA
	Farr Better Feeds
3. Bozeman	Big Sky of Montana, Inc.
	Summit Engineering Corp.
4. Busby	Morning Star Post & Pole
5. Butte	The Anaconda Company
6. Colstrip	Peabody Coal Co.
	Western Energy Co.

7. Fairview	Associated Programs, Inc.
8. Glasgow	AVCO Economic Systems Corp.
	Federal Bentonite Co.
	Linton Corp.
9. Hall	Berklund Lumber Co.
10. Harlem	Ft. Belknap Builders, Inc.
11. Havre	Titan Electronics, Inc.
12. Helena	Bonanza Packing Co.
13. Livingston	Big Sky Model Homes
14. Missoula	Borden Chemical, Inc.
	Evans Products, Inc.
	Hoerner Waldorf Corp.
15. Plentywood	Omega Gas Co.
16. Poplar	C & M Construction Co.
	Ft. Peck Tribal Industries

2. Assistance to Existing Industry

Most of the economic growth of any area will be derived from its existing industrial base. While results are not as spectacular nor as noticeable, this steady expansion is a dynamic force in building economic strength in Montana. A major emphasis is placed on improving the economic well-being of the existing industries in Montana. Specific assistance has been provided to over 30 firms in Montana to help overcome their problems. Where necessary, the expertise available in fields of management, financing, marketing and interpretation of laws has been called upon to assist these firms.

The services of such agencies as the Small Business Administration, State Technical Services, the Cooperative Extension Service and others have been used a great deal to assist the existing industries of the state. Where applicable opportunities for foreign trade have been brought to the attention of Montana manufacturers.

The staff has provided assistance to the Associated Investors of Montana by assisting them in their association affairs, evaluating ideas and inventions and providing advice for producing the inventions.

3. Advisory Service and Technical Assistance

An important part of the overall industrial development effort in Montana is to have on-going programs in communities throughout the state. This program has attempted to alert and encourage communities to the methods of establishing such local development programs. Specific advice has been provided to communities on the formation of local development corporations, preparation of brochures, the formation of industrial development programs, site evaluation and referral of industrial prospects. Personnel have participated in industrial development seminars. Community profiles and available industrial site listings are maintained in the department as ready reference material for industrial prospects.

These communities in Montana have received service from the Industrial Development division during the year. This service has varied in nature, but can be classed in three general categories: technical advice to development programs, assistance to existing industry, and industrial prospects. The technical advice took several forms: formulating community industrial development programs; clarification of laws affecting industry within the state; understanding financing methods; as well as specific market information and feasibility studies on such industries as post and pole plants, potato processing, cattle feeding, building stone, containers and others.

Locality	Technical Consultation	Industrial Prospect	Existing Industry
1. Anaconda	X	X	
2. Augusta	X		
3. Belgrade			X
4. Ft. Belknap	X	X	X
5. Billings	X	X	X
6. Black Eagle			X
7. Bozeman	X	X	X
8. Browning	X		
9. Butte	X	X	X
10. Choteau	X	X	
11. Columbia Falls	X		
12. Crow Agency	X	X	
13. Cut Bank	X		
14. Deer Lodge	X		
15. Drummond	X		
16. East Helena			X
17. Ennis			X
18. Glasgow	X	X	
19. Gregson		X	
20. Hamilton	X		
21. Hardin	X		
22. Havre	X	X	
23. Helena	X	X	
24. Laurel			X
25. Lewistown	X	X	X
26. Lima	X	X	
27. Lincoln			X
28. Livingston	X		
29. Malta	X		
30. Maudlow			X
31. Missoula	X	X	X
32. Noxon	X		
33. Philipsburg	X		
34. Plains			X
35. Polson			X
36. Roundup	X		
37. Sidney	X		
38. Thompson Falls			X
39. Townsend	X		
40. Virginia City		X	
41. Wolf Point			X
42. Poplar	X		

4. Industrial Revenue Bond Law

This law was declared constitutional by the Montana Supreme Court. The validation of this law permits cities and counties to sell revenue bonds to finance lower risk industrial projects which require substantial capital. This department played a key role in this test case by providing necessary data to support the need for this tool in Montana and has been in contact with several firms that have major developments, pending the favorable ruling by the Court.

5. Montana Development Credit Corporation

This corporation, authorized by the 1969 Legislative Assembly, was formed this past year. The corporation will provide higher risk capital to new or expanding ventures in Montana. The department worked closely with the Montana Bankers Association to establish and promote its formation.

6. Coordination of Development Efforts

A major activity has been the coordination of development agencies within the state. Heretofore several agencies used a fragmented approach to achieve economic development. This department recognized this and attempted to coordinate and direct where necessary the special capabilities of certain groups. A close liaison has been established with the Small Business Administration to provide financial advice and consultation to industries. The talents available in the Center for Industrial Development and Management Services at Montana State University, Bozeman, have been called on to provide marketing and management information. Other coordination has been effected through state agencies, institutions and private enterprise.

7. Big Sky of Montana, Inc.

One development activity over the past year is particularly noteworthy, not only because of its magnitude, but because of the public interest it has generated. At Governor Forrest H. Anderson's request the department assumed, in Fall 1969, responsibility for state coordination and liaison for the proposed recreational development on the West Fork of the Gallatin River. It provided liaison for federal and private groups and services and it coordinated informational and professional services of other state agencies. It assisted the Montana Highway Department with its preliminary road surveys, compiled land ownership maps of the area and prepared an application for federal road building assistance for the Gallatin and Madison County commissioners, which they in turn submitted to the Economic Development Administration. These services were provided with the assistance mentioned in the Information Systems program and the Community Development program.

8. Eastern Montana Regional Planning and Development Effort

The development program in cooperation with other concerned state and federal agencies has pursued eastern Montanans' regional interest in developing a planning and development vehicle for 18 counties and two Indian reservations. It has conducted a series of regional meetings in Glasgow, Glendive, Miles City and Sidney to determine the depth of public interest and potential support in such an idea and has informed the citizens of the area by reports and the meetings of some of the methods and assistance available for creating a regional effort. The citizens of the area have noted that whenever their private, local, state or federal groups try to solve health, sociological, transportation or other problems in eastern Montana, they always seem to run into underlying economic problems. The regional effort would focus on helping eastern Montanans get at the root of their problems—91,400 persons spread over 50,300 square miles, and a 15 percent population loss in the last decade—and better concentrate state and federal assistance on those problems. The counties are forging ahead by joining in preparing a proposed constitution and bylaws, and other program development activities. A formal request for state assistance is expected.

9. Mineral Resource Development

Mineral exploration was active during the year in several areas of Montana and this department participated in varying degrees in resolving problems associated with these developments. Activities have been generally restricted to exploration; however, some developments moved nearer to production stage. The Anaconda Company development in the Heddleston District was assisted in a large part by planning efforts (as mentioned above) in Lincoln to help that community prepare for the economic impact in the event the company decides to mine. The department joined with other state agencies to recommend a number of stipulations for the Board of Lands and Investments to attach to the lease of state-owned land on Alice Creek, an integral part of the Anaconda Project, aimed at protecting the environment for future generations.

Likewise, the department has been in contact with Bear Creek Mining Company, a subsidiary of Kennecott Copper Corporation, with regard to its activities in the Bull Lake area and potential problems associated with a major development in that sparsely populated northwestern region.

The increased activities in nonmetallics in the eastern areas of the state complemented the potentials that exist in western Montana. The department has played a key role in assisting Federal Bentonite

Company in its plans near Glasgow. The large, low sulfur content beds of coal in eastern Montana that feed electric generating plants in the Midwest has resulted in increased production for existing companies. This department has advised potential investors on opportunities in these areas and guided them to the necessary sources of information to assist them in the economic analysis and feasibility of establishing operations. In these and all other developments of this type, staff lend a high regard to accomplishing the development within a planning context, incorporating economic, social, physical and environmental factors.

The future goals of the Industrial Development program will refine present activities and add new ones to meet the objectives of increased employment opportunities and capital investment in Montana. Because the program was staffed only part of the year, a substantial increase is planned for the 1971 Fiscal Year. This is considered essential by the Commission to commence efforts, based upon research and planning currently underway, in many heretofore untouched areas of industrial development:

1. *Publication of general information type and promotional brochures that will identify and describe principal areas of potential, e.g., private recreation development, forest products, agricultural product processing, livestock feeding, coal processing, mineral resources and other manufacturing distribution and technically related opportunities that exist or may be emerging.*
2. *Increase activity among out-of-state investors oriented to Montana potentials.*
3. *Develop and begin an advertising program tailored to potentials.*
4. *Coordinate with existing financing agencies to make programs known to firms in Montana.*
5. *Use and direct services of the Center for Industrial Development and Management Services to be available to provide advice on markets, sources of raw materials and management methods.*
6. *Work with local groups to establish and operate sound and aggressive economic development programs.*
7. *Review and recommend changes and clarifications in the industrial and economic incentive laws.*

Research Program

The Research program's function and reason for existence depends on its continuing and changing contribution to the work of other activities of the department. It provides information analysis and evaluation not otherwise available to the Planning, Community Development, and Industrial Development programs of the department, and thereby makes their work more effective. This includes gathering of statistical information available from other sources, and combining, correlating and analyzing these data with other information in a form which will be of use to the "action programs" of the department, as well as to other branches of state and local governments.

It also gathers new information by surveys, interviews and other studies, by personnel alone, or in cooperation with other research organizations or professionals, or by cooperative endeavors with other departments of government or the University system. The results of such work are published in reports, memoranda, directories, and collections of tabular data for storage and retrieval in the Information System.

Research personnel are responsive to the maximum degree possible to requests for interpretive information originating from industrial prospects, the public, governmental and quasi-governmental bodies in the state. They also prepare reports, collect data, and lists and directories for public distribution as well as for use in the department. These include a compendium of state data in a form comparable with other states and the U. S.; a series of reports on basic resources of the states as related to existing and potential industries; a series of feasibility studies on potential new industries and enterprises; impact studies of representative types of developments in the state, to furnish the basis for planning and suggested locations of similar developments elsewhere; directories of professional consultants, research capabilities, and various types of skills, capabilities, and services; analyses of population changes, migration, and similar demographic data.

Such activity helps the legislative and executive branches formulate policies and determine directions that governmental programs should take. Similarly, these activities provide a better base for planning and development activities at local levels of government; they also assist the private sector in making decisions relative to investments and economic expansion that underlie the economic well-being of the state and its citizens. The research program has focused its efforts to these ends in six ways:

1. Completion of the Montana Economic Base Study

A thorough knowledge and understanding of the state's economy is an essential and basic step of a statewide planning and development effort. In recognition of this, the department in late 1968 undertook the preparation of a statewide economic base study. The study, which has been performed under contract by the Bureau of Business and Economic Research at the University of Montana, Missoula, is jointly financed by this department, the Water Resources Board and a planning grant to this department by the Federal Department of Housing and Urban Development. The program which has been coordinated and monitored by this department, was extended and given new direction and stimulus at the beginning of this fiscal year. The result is that the project is now complete and is in final printing stage, with release of the publication planned in the early fall of 1970. Because of its comprehensive nature, in both depth and breadth, its value and usefulness is expected to be great in terms of defining state goals and objectives in state planning and in solving problems of development and resource allocation.

2. Natural Resources Study

As a companion effort to the base study, publications and studies dealing with Montana's natural resources have been collected, reviewed and analyzed for their content and usefulness. This effort to inventory and analyze elements of the state's total resources will help identify development potentials that may exist now or that are emerging as the nation's natural resource base and needs change. Wood products potentials from timber resources, coal processing and recreation development potentials for private investment have received greatest emphasis. Approximately 75 percent of the department's study on forest resources is completed; other resource investigations are just underway or are in preliminary data gathering and analytical stages. The first series of resource reports are expected to be completed in April 1971.

3. State Data Book

Research personnel are preparing a state data book which will be the most comprehensive general data book for the state since publication of the *Montana Almanac* by the University of Montana in 1960 and 1962. Publication and distribution of the data book is planned for December 1970 and January 1971. Samples of major chapters to be included are "Social Welfare," "Land Use," "Education," and several on economic matters, to mention only a few.

The book will be primarily statistical with textural content limited to a general introduction and brief explanatory introductions to each chapter. Data will be presented at the municipal, county, and state lev-

els. State data will be in a form that makes them comparable with regional and national data to provide simple analysis of changes in Montana relative to other areas in the past 10 to 15 years.

Work on the data book began in January 1970. It is expected to be ready for first press runs in early November. About 15 man-months during Fiscal Year 1970 went into preparation of material for the data book.

4. Multi-County Districting Plan

Because of Montana's immense geographic area and sparse population the management of state programs and delivery of services throughout the state is difficult and costly. Economies of scale and effective coordination between state programs and between federal and state programs are virtually impossible under present circumstances. Major state departments —not to mention the many federal agencies—now operate under some 25 different districting plans, established for the most part on a unilateral basis to fit the needs and resources of the agency involved. For these and a variety of other similar reasons, the department has worked to develop a uniform plan of multi-county districts. Advantages of these districts would include statistical reporting, greater decentralization and coordination of state and federal serviees, and economies of scale in public facilities and programs of a basically regional nature. These districts would also, in aceordance with the goals and objectives of the various localities, allow better and more effective planning and development under cooperative programs. The study is almost completed. Research personnel have spent considerable man-hours reviewing social, political, economic and geographical data and they have written for review a preliminary form of the final report.

5. Probable Impact of Recreational Development on the Smith River

Research personnel participated in an overall study of the Smith River for the Council on Natural Resources and Development. This study identified the areas of potential impact that changes in modes of recreation on the Smith might produce. It did not examine benefits, because no definite development scheme was under consideration. Although the study concluded that no changes in population nor income might be anticipated from increased recreational activity on the Smith, retail sales and county revenue might be expected to increase because of greater use and higher land values. The Fish and Game Department is compiling the final report from such contributions as this study.

6. Assistance to Industries and Local Planning and Development Groups

Research personnel also participated in a variety of other activities. These included market analyses for lime, cardboard containers, mattresses and cushions and data proeessing services; feasibility analyses relative to upholstering, pole furniture, arts and crafts, home building and others; and community economic surveys in several areas relative to local planning and development efforts.

Personnel have also participated in such varied activities as the preparation of a "position paper" to federal agencies urging a closer coordination of federal loan programs for small business endeavors, participation in the review and development of model contracts for coal mined land reclamation, and production of alcohol for fuel from Montana grains.

Information Systems Program

The Information Systems Division is charged with supplying the informational needs of the department, agencies of federal, state and local government, industries, and the people of Montana. The program consists primarily of developing and operating systems for acquisition, storage, retrieval and periodic updating of information relevant to carrying out the department's functions. These systems contain sources of information generated by and aggregated by federal, state and local agencies, private business and trade organizations. Information personnel work closely with the Research program in providing information for research, as well as incorporating results of the research in the information systems.

1. Basic Library Information Service

Principal effort during the year was directed to the development and operation of a library information service. By the end of the fiscal year, the reference library contained 4,000 documents from governmental agencies and numerous public and private groups involved in planning and economic development. Thus, a nucleus for an effective information service, which can expand as the collection grows, has been established to fulfill the department's responsibility for operation of a centralized repository for all information relating to planning and development in Montana. Over 700 requests for information were processed during the year. Over 50 percent were of an internal nature within the Department in support of other program activities. The balance came predominately from business concerns and other governmental agencies, with a mixture of individual requests from students, teachers and libraries.

2. Establishment of State Population Data Center

As a part of the department's Information Systems program, a plan was developed and implemented to operate a statewide clearinghouse for the 1970 Decennial Census. Under designation by the Bureau of Census, the department will process all summary census tapes for users throughout Montana. The program is being funded cooperatively with several other state agencies and will be coordinated and administered by the department on a revolving fund basis so as to be largely self-supporting for the principal user members. The department underwrites the staffing and management costs of the center making it possible for users to be billed only for the direct out-of-pocket expenses associated with computer facilities and chargeback services of the Department of Administration. Implementation of this plan will result in considerable savings to the state and will at the same time provide for more complete and more timely information about demographic changes and trends that are basic requirements in most research, planning and development programs. Nearly 80 meetings and discussions have already been held with such users regarding data availability, methods of evaluation and costs.

3. Completion of the Manufacturers Directory

The fifth revised edition of the Montana *Directory of Manufacturers and Buyers Guide* was published during the year and a basic system has been established for current updating and periodic revision. The system was established on a cooperative basis with the Employment Security Commission in a manner that protects the integrity and confidential nature of that agency's records. The resulting benefits are lower preparation costs for the directory, more complete data and tailoring for more selective and diversified uses.

4. Other Subsystems

Plans for several information subsystems to complement those already begun are also well along. These include a regional economic information system containing data about the economic bases and migration patterns within regions and political subdivisions of the state. A similar effort is being directed toward establishing an information system and data base using the Census of Agriculture, City-County Data Books, County Business Patterns and Censuses of Manufacturers. When these systems are established and operational, better and more reliable information will be available upon which to base planning and development efforts within substate regions and political subdivisions.

5. Consulting and Technical Assistance

Personnel of the Information Systems program have also played important roles in a variety of other major projects and activities in which the department has been engaged. These include, but are not limited to, project coordination and a variety of services to the Big Sky recreational development near Gallatin Canyon, information services to the Anti-Ballistic Missiles System Command Field Survey Team, and operations and systems consultation to various state agencies and private organizations.

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Ross W. Cannon May 1969 - May 1974	2130 Highland, Helena
Frank L. Crisafulli May 1970 - May 1975	West of Glendive
Dale C. Hawkins May 1968 - May 1973	2411 11th West, Billings
W. L. Bill Holter July 1967 - May 1972	1804 Beech Drive, Great Falls
John Ruffatto July 1967 - May 1971	3016 Queen, Missoula

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Brief Historical Resume

The 24th Legislative Assembly created the State Planning Board in 1935, as a result of the natural resources planning movement at the national level. The State Planning Board Act authorized broad legislative powers for the board to do statewide planning, with special emphasis on long-range planning for use of the state's water resources. The board was deactivated when the Legislature no longer appropriated funds during World War II.

After the war, almost every state formed an industrial promotion agency, and in Montana public demands for an organized statewide effort to promote the industrial growth of Montana finally led to a series of citizens' meetings during 1953 and 1954. The citizens reviewed the many methods used in other states and communities for promoting economic and industrial development. Their judgment, reflecting the widespread interests represented at these meetings, was that the most effective results could be achieved by a state agency through which all other interests could cooperate and coordinate their efforts.

The interested citizens also favored a modest beginning, thinking the activity could grow as the need and accomplishments developed. Because the then inactive State Planning Board seemed adaptable to these purposes and methods and was already provided for by law, the Legislature reactivated the board for development purposes and provided $50,000 for the 1957 Biennium.

Thus, the State Planning Board began its industrial development activities on July 1, 1955. The Board comprised the same membership as the State Water Conservation Board. Since then it has worked with citizen groups and the Legislature to develop adequate community planning laws in Montana.

The 1963 and 1965 Legislative Assemblies attempted to provide the agency with a separate board and a name that would more adequately describe its activities. Finally, the 1967 Assembly accomplished this end. It repealed the State Planning Board Act and enacted the Montana Planning and Economic Development Act, with its own seven-man commission and an appropriation of $257,400 for the 1969 Biennium. The 1969 legislature appropriated $600,000 for the 1971 Biennium.

Governor Forrest H. Anderson is an ex officio member of the commission, and Perry F. Roys, executive director of the department, is chairman of the commission.

The five appointed commissioners are John Ruffatto (term expires May 1971), Missoula, vice-chairman; Ross Cannon ('74), Helena, secretary; Dale C. Hawkins ('73), Billings; W. B. (Bill) Holter ('72), Great Falls; and Frank Crisafulli ('75), Glendive.

The department has had five directors since its reactivation in 1955; Perry F. Roys, 1955-1959; E. O. Sowerwine, Jr., 1959-1961; Thomas J. Collins, 1961-1963; Samuel J. Chapman, 1963-1968; and Perry F. Roys, 1969 to present.